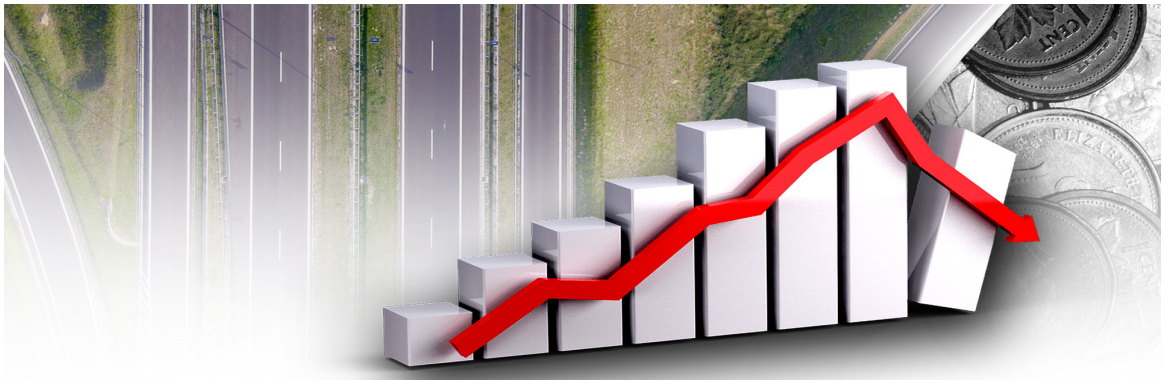
September 13, 2018

The Heavy News Weekly

INSIDE



CUTS TO MANITOBA'S HIGHWAYS INFRASTRUCTURE AN ECONOMIC ATTACK: LORENC

The Pallister government has slashed investment in highways by more than $370 million since 2016, in budget cuts and under-expenditure — an unprecedented attack on Manitoba's highways with calculable economic impact.

"Our highways are the foundation of Manitoba's trade-based economy," MHCA President Chris Lorenc said. "Cutting investment in trade transportation infrastructure flies in the face of every analysis of the economic return of such investment and it risks Manitoba's ability to compete in global trade."

The MHCA will be underscoring that blunt message in its public advocacy this fall.

Lorenc noted no other Manitoba government has cut its highways capital budget by this magnitude.

"That $370 million — the total of combined budget cuts and under-expenditure — is greater than the entire budget for highways work this year," MHCA Chris Lorenc said. "At $350-million for highways capital, Manitoba is actually compounding its infrastructure investment deficit, not addressing it."

The cuts do real, calculable damage to Manitoba's economy, Lorenc stressed. Aside from the decay to our highways, which directly hurts our ability to capitalize on expanded trade opportunities, cutting the highways budget robs the province of real return to GDP from such strategic investment.

A Conference Board of Canada report in 2014 found for every $1 invested in core infrastructure, Manitoba would see $1.35 returned in GDP.

The provincial government's infrastructure investment deficit — the difference between what is and what should be expended to bring all highways to good condition — is more than $6 billion.

The MHCA has submitted a pre-Budget 2019 brief to Premier Brian Pallister, along with a request for a timely meeting with the premier. As yet, Pallister has not replied to the request to meet with MHCA representatives on the pre-budget submission (see inside story).

"This government has remained silent in the face of the united call among leading Manitoba business groups to invest strategically and in sustained fashion for a reliable, efficient trade transportation infrastructure system," Lorenc noted. Eight stakeholder and business organizations have joined MHCA in underscoring the critical link between trade transportation infrastructure and economic growth.

MHCA's fall advocacy will also ensure infrastructure is a top issue in the municipal election campaigns.

Inside: *MHCA's advocacy package*

MHCA TO PALLISTER: Invest in highways, Manitoba's economy

The MHCA's Executive Committee met Wednesday to discuss the association's pre-Budget 2019 submission to the Pallister government. The brief underscores the defined economic return on investment in strategic core infrastructure, and points out the damage done to the province's potential for growth in trade and to the heavy construction industry and its employees.

"Highways are the arteries that feed trade, which is the heart of our economy," MHCA President Chris Lorenc said. Trade supports 53% of the Manitoba economy; economic analyses on the GDP boost from strategic infrastructure investment shows returns from $1.35 to $1.60 for every $1 invested. Those figures come from published reports, including the Conference Board of Canada (2014) and Finance Canada's 7th Report to Canadians (2011).

The severe cuts and under expenditure since 2016 to Manitoba highways program, which by extension attacks the economic viability of the heavy construction industry and the people it employs, have seen $111 million in reduced employee earnings, in total.

It is a penny-wise/pound-foolish approach to deficit cutting, Lorenc said of the provincial fiscal strategy.

Since 2016, the provincial government has cut or under-expended the highways capital budget by a total $370.4 million — that's $20 million more than is being budgeted for highways work this year.

Below is the MHCA's pre-Budget 2019 submission to the Pallister government, submitted September 7.

Strategic Transportation System Infrastructure Investment *an economic driver*

MHCA'S PRE-BUDGET 2019 SUBMISSION

The MHCA supports the provincial government's focus on growing the economy, investing smartly in strategic infrastructure as part of that strategy and reducing the deficit.

MHCA is one of six leading business organizations championing seven pillars to grow the economy.

It is well-documented that investment in strategic infrastructure provides amongst the highest return on investment (ROI) of public sector dollars, facilitating sustained economic growth, investment, jobs and generating new revenues to government which assist achieving a fiscal balance objective.

While the degree of the ROI varies, dependent on the type of infrastructure, the value of strategic infrastructure investment return to the GDP is unchallenged. Finance Canada - Report to Canadians (2011) states every $1 invested in strategic infrastructure returns $1.60 to the GDP. Investment in trade-enabling transportation infrastructure is identified as providing the highest rate of economic return, according to a Canada West Foundation report 'Building on Advantage' 2014. This is echoed in a Canadian Chamber of Commerce 2016 report 'The Infrastructure that Matters Most'. A Conference Board of Canada analysis (2014) of the GDP impact of $1.05 billion infrastructure investment showed a return to Manitoba of $1.36 billion, the largest effects via personal/disposable income, cascading impact on retail sales and the corresponding direct and indirect taxation revenues.

Other such reports arrive at similar conclusions. The point is the ROI of public-sector dollars is real. The extent of that return can be refined via an update of the Conference Board of Canada's Manitoba analysis.

The larger effect of infrastructure investment is in its impact on trade, which accounts for 53% of Manitoba's GDP. That fact illustrates why eight Manitoba business and stakeholder groups have joined MHCA in publicly calling for strategic, sustained investment in Manitoba's transportation infrastructure system (see attached). Trade is at the heart of our GDP; transportation infrastructure acts as the arteries that keep the goods and commodities flowing.

In all discussions since 2016 with MI ministers on the Highways Capital program, MHCA has consistently advocated for strategic, sustainable investment - not spending - in transportation infrastructure. The context? Your government inherited a ~$6-billion transportation system (highways, roads, bridges & structures) investment deficit.

The MHCA and the industries it represents relied on the current government's repeated public commitment to fund Highways Capital at minimums of $500 million annually, for five years. While below the 2015-16 budget of $588 million, $500 million was identified as the level at which Manitoba could stem the growth of the investment deficit. Significantly, it was also the level around which industry organized its business affairs.

At Budget 2018's $350 million, the Highways Capital program does not reflect a sound capital-asset management plan. That level will add $50-75 million annually to the ~$6-billion investment deficit, facilitating its exponential growth. Further, it impairs sounds fiscal investment in an asset that underpins Manitoba's economy.

RECOMMENDATIONS:

Preliminary First Steps

The MHCA respectfully urges the following, as a matter of fiscal policy and priority heading into Budget 2019:

1. Solicit, in partnership with the business community, from Canada West Foundation (or similar institution) an estimate of ROI from trade-transportation investment strategy, and the lost value of delaying this strategy (compound effect on Manitoba's infrastructure investment deficit);

2. Concurrently, restore MI capital program to a minimum of $500 million, annually, 2019-24;

3. Accelerate MI's service-delivery review and transition inhouse service delivery to the competitive market;

4. Release the report on the transportation system infrastructure investment deficit (understood to be ~$6 billion), with annual and five-year rolling budgets to support a capital-asset management strategy.

Continued on page 4

Review Funding Model

Manitoba faces challenges to achieve sustainable levels of investment in infrastructure. Governments ignored for decades sound advice from the private sector, compounding the infrastructure deficit's growth. Your government inherited this but has opportunity, with the public's trust, to address it.

The MHCA strongly recommends the government appoint a panel to review existing funding structures with a view to striking a new funding model. Its considerations could include, but not be limited to, the following:

- dedicating a portion of the PST, all revenues from road-related fuel taxes (Gas Tax Accountability Act) and all road-use fees to support the Highways Capital and the Maintenance & Preservation programs, as base funding.

- given a ~$6-billion transportation system investment deficit, identifying and allocating a minimum maintenance and preservation budget to stem its exponential growth. (Also, consider policy that lays out a reasonable multi-year target to resolve the deficit, to get to sustainable annual funding levels).

- identifying a minimum annual capital program tied to best economic return on investment objectives — trade-enabling infrastructure — harnessing in the process federal-match funding and appropriate P3 opportunities.

- merge trade and infrastructure into one ministry — Trade & Infrastructure — to maximize ROI and ensure that trade-enabling investment is a pillar supporting growth in Manitoba's regional, national and global trade profile.

- adopting the six guiding principles for strategic infrastructure investment, embraced publicly by Manitoba in November 2016, namely: a permanent program; focused on greatest economic ROI; embraces innovation; harnesses partnerships with the private sector; funded by dedicated revenue streams; and annually reviewed for adjustment and assurance of discipline to purpose.

- taking advantage of the Winnipeg Metropolitan Region (WMR) strategic transportation plan (and others like it) that would support provincial investment priorities in the strategic trade network which promotes economic growth.

- the delivery of programs contemplated above through a new, stand-alone utility, with contractual funding and delivery objectives set by government as a matter of public policy.

The above is offered to advance government objectives of growing the economy and restoring fiscal balance. The MHCA would be pleased to participate in all of the above.

Respectfully submitted,

MANITOBA HEAVY CONSTRUCTION ASSOCIATION
Chris Lorenc, B.A., LL.B.,
President

Risking the economy, damaging the industry

Manitoba is squandering the opportunity to gain real, defined economic returns through core infrastructure investment, specifically due to the repeat cuts since 2016 to the highways capital budget.

We are asking industry to call, meet or write the Premier, Ministers and MLAs to put sustained, strategic infrastructure investment on the government's agenda for Budget 2019.

Our industry asks the government, in preparing Budget 2019, to immediately:

1. Restore MI capital program to the promised annual minimum of $500 million (2019-24)

2. Accelerate MI's service-delivery review and tender inhouse service delivery to the industry

3. Release the highways infrastructure investment deficit report (understood to be ~$6 billion) along with annual and five-year rolling budgets to support a highways capital-asset management strategy.

WHY?

In summary, since 2016, the highways capital program has been slashed from $628.4 million (actual) in 2016, to $350 million in 2018 (budget), a 44.3% reduction.

Add in program under-expenditures of $92 million since 2016, and this amounts to an **astounding $370.4 million** reduction, an unprecedented 59% cut to investment in Manitoba's highways.

In short, the cuts to provincial highways capital investment amount to $20 million more than has been budgeted for highway work this year. No other Manitoba government has slashed the highways budget so dramatically.

Roughly 30% of project costs are attributable to labour. That means the incomes of heavy construction industry workers have been reduced by $111 million since 2016 (30% of $370.4 million).

The Conference Board of Canada in 2014 estimated that for every $1 invested in Manitoba core infrastructure, the province saw a return of $1.35 to the economy (GDP). This is real, defined ROI, fueling the provincial economy.

The publicly pledged $500-million program (2017-22) would have allowed marginal progress on the roughly $6-billion infrastructure investment deficit. At $350 million, the government actually adds some $75 million yearly to that deficit.

The Budget Numbers – from Public Accounts

Highways Capital investment - MB Finance, Provincial Budgets, 2016-2018

	2015-16	2016-17	2017-18	2018-19
MI Highways Cap (Budget)	$588.5m (NDP)	$540m (PC)	$502m (PC)	$350m (PC)

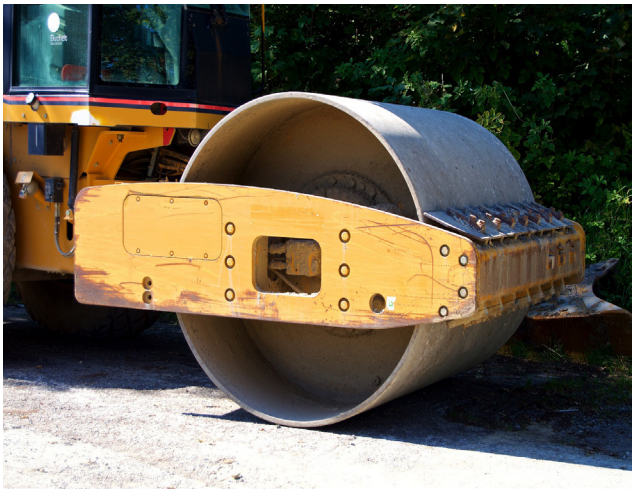
MB Infrastructure, Annual Reports, 2016-2017

	2015-16	2016-17	2017-18	2018-19
Highways Cap (Actual)	$628.4m	$520.1m	$430m (3rd Quarter) estimate	
Budget/actual cuts	$278.4m			
Under-expenditures +	$ 92.0m			
Total reduction	$370.4m			

The impacts of slashing the Manitoba's highways budget are real and profound:

INDUSTRY IS ON THE ROPES

- *Jobs LOST*
- *Incomes LOST*
- *Impairs workforce stability*
- *Tax revenue – PST, income, corporate – LOST*
- *Manitoba is giving up REAL, DEFINED economic ROI benefit – Conf. Bd of Canada analysis (2014) showed Manitoba sees $1.35 returned to GDP for every $1 invested in core infrastructure*
- *9 leading Manitoba stakeholder and business organizations have called for sustained, strategic investment in trade transportation infrastructure*



75 MHCA

SAVE THE DATE...

Friday November 16, 2018

Awards Breakfast & Annual General Meeting

Chairman's Gala

RBC Convention Centre, Winnipeg

To reserve your room at the Delta Hotel Winnipeg, 350 St. Mary Avenue, please quote Manitoba Heavy Construction Association. Please note there is only a limited number of rooms available.

PROMISES MADE, PROMISES BROKEN

From the public record:

Infrastructure promises made…

Heading into and post-2016 election, the PCs' pledges on core infrastructure investment included:

- Eliminate the practice of sole-source contact awards
- Maintain investment in traditional core infrastructure at no less than $1 billion annually
- Annually invest no less than $500 million in MB Infrastructure's highways capital budget 2017-22
- A budget set was a budget to be met and not underspent
- Apply 6 infrastructure investment guiding principles, namely: a permanent program; focus on economic growth; harness innovation; partner with the private sector; dedicate revenues to purpose; and, review annually for adjustment
- Implement an annual and 5-year highways capital investment program
- Release its infrastructure investment deficit report to underpin infrastructure strategies
- Allocate any dollars unspent on Lake St. Martin Project to augment the Highways Capital program

…and broken

- Sole-sourced 2 contracts for Lake St. Martin road; adopted new 'duty to tender' rules, making it easier to sole-source
- Expanded core infrastructure definition (includes schools, healthcare, recreation) in $1 billion investment number
- Cut MI's highways capital budget by 30% in 2018 to $350 million; a 40% reduction since 2016
- Underspent by $92 million over two budgets, $72 million in 2017/18 alone
- Walked away from public commitment to the 6 guiding principles for infrastructure investment
- Declined to table an annual and five-year rolling budget
- Refused FIPPA request to release the provincial infrastructure investment deficit report
- Reversed commitment to allocate unspent Lake St. Martin funding to augment highways program

MHCA™
MANITOBA HEAVY CONSTRUCTION ASSOCIATION

Our economy rides on trade

let's get it on the road

Manitoba's economy rides on trade – ***fully 50% of our GDP is derived from imports/exports***

- Trade links have never been more important – new trade deals and opportunities are opening up; other jurisdictions are seizing these opportunities now
- Highways, trade corridors, and inland & border ports must be seamlessly connected to capitalize on trade opportunities – we need a trade infrastructure investment strategy
- Our tax dollars must be *invested, not spent* & mindful that strategic infrastructure investment has amongst highest returns: $1 invested can generate $1.60 economic output
- Manitoba has high-value infrastructure projects specific to trade/economic growth that move people to jobs & products to market – they need investment priority, and include:
  - ✓ Upgrade the Perimeter Highway, the Capital Region's gateway
  - ✓ Extend Chief Peguis Trail to support CentrePort Canada to move goods seamlessly
  - ✓ Invest in the Winnipeg Metropolitan Region strategic transportation network
  - ✓ Invest in Headingley, St. Norbert and Morris by-passes to move goods efficiently
  - ✓ Upgrade Port of Emerson, PTH 16 & 6; expand Route 90
- Prepare annual and five-year capital program, benchmarked against an infrastructure investment deficit report; ≥$6 billion deficit for transportation infrastructure alone
- Make infrastructure part of long-term economic plan; merge Trade and Infrastructure into one ministry
- **Engage with trade & transportation stakeholders (see over)**

Beyond our borders – **Manitoba should take a role in a continental/global economic plan**

ROI: investment, jobs, growth of new business and new revenues to governments, as our economies reap the rewards of smart, strategic investments

Without economic growth, the discussions about adequate funding for health care, education or tourism are moot

MHCA™
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Putting trade on the road

Manitoba's *unbounded potential*

Manufacturing, agriculture, wholesale/retail trade, construction, mining – $20 billion of our GDP – rely on trucking. If trucks are delayed by decaying or uncoordinated corridors, our economy suffers. We must invest strategically, long-term in transportation.
Terry Shaw, Manitoba Trucking Association

Well-designed and maintained infrastructure is critical to ensuring our businesses and communities are able to do business. Our members recognize strategic investment in infrastructure is foundational to economic growth, which benefits all Manitobans.
Chuck Davidson, Manitoba Chambers of Commerce

Manitoba's capital region – at 70% of our GDP – must be a priority for strategic transportation infrastructure investment. It needs a seamless, regional system to compete with similar efforts in Canada. We get this right, all of Manitoba grows economically. ***Colleen Sklar, Winnipeg Metropolitan Region***

Manufacturers know that trade infrastructure is critical to just-in-time delivery and the smooth flow – import and export – of goods. Without strategic infrastructure investment, the cost of doing business rises, which leaves less to invest in plants, equipment, technology, and jobs. ***Ron Koslowsky, Canadian Manufacturers and Exporters***

Manitoba exports. Tens of thousands of jobs would not exist if we could not transport people and goods in and from our province. The economic activity of Business Council members, like that of all Manitoba, is not possible without efficient infrastructure.
Don Leitch, Business Council of Manitoba

Our roads are the very conduits by which we trade goods, connect people and drive economic prosperity in our communities. Infrastructure is an essential link in any business' supply chain. We need sustained, strategic investment in infrastructure to ensure no weak links in the chain. ***Loren Remillard, Winnipeg Chamber of Commerce***

Predictable funding allocations and fair cost-sharing amongst orders of government are keys to building infrastructure needed for strong, vibrant communities. Transportation infrastructure is vital for sustained economic growth, connectivity and competitiveness.
Joe Masi, Association of Manitoba Municipalities

Mines – anchors of northern Manitoba's economy – are the farthest possible distances from their customers. The ability to move bulk commodities to market efficiently, at competitive prices and on modern infrastructure is crucial for our industry's the success.
Andrea McLandress, Mining Association of Manitoba Inc.

"There is the infrastructure we want, like parks and hockey rinks; the infrastructure we need, like schools and hospitals; and then there is the infrastructure that pays for these things and ***that is trade infrastructure.****"*
Perrin Beatty, Canadian Chamber of Commerce

Put roads – and our economy – on the campaign list

Chris Lorenc, President MHCA

Election years are a good time to take stock. What has city council done for us in the last four years? What should it be doing? And on the list of priorities, what should be at the top?

Every neighbourhood has its priorities. But on a city-wide basis, anyone aspiring to be Winnipeg's mayor must understand the issues that transcend neighbourhoods, as well as those that hit people where they live.

Infrastructure is one of those issues. In fact, it regularly hits the top of the list for residents and anyone on the campaign trail will hear about it on the doorsteps.

In a recent public opinion poll conducted for the City of Winnipeg, when asked what would most improve quality of life in the city, Winnipeggers basically said 'fix the roads' — by a wide margin. Some 43% put roads as the priority; the next closest was transit at 15%.

Further, while almost all respondents (87%) are satisfied with almost all city services, only just more than 50% of respondents said they are satisfied with our roads.

We hate potholes, yes. But the source of the enmity goes deeper than the jarring bones and rattling wheel rims. Such pains are collateral wounds in the greater damage inflicted by bad roads.

Bad roads damage our economy.

Infrastructure is foundational to trade and it is trade — the daily movement of goods to market and people to jobs — that fuels the economy. Winnipeg is the heart of the Capital Region, which generates more than $36 billion, or 70%, of Manitoba's GDP.

A city's transportation infrastructure must be up to moving people and goods reliably and efficiently. If roads aren't repaired when they should be, the job to fix them is much more expensive — your tax dollars — and takes much longer. This is the program we call 'local and regional street renewal' in the City of Winnipeg's annual budget. Anyone who has driven in other major Canadian cities knows the priority placed on the economy — think Calgary's enviable 'trail' system.

The critical role roads play in our economy was recognized by past city councils — in 2013 and '14 Winnipeg city council adopted a policy and budget program to address this city's infrastructure investment deficit. It was this decision that put an annual 2% tax — for roads — on your property bills.

Council, however, has not always increased the street renewal budget by the $11 million in revenues the 2% raises each year. (Kudos to city council for securing an extraordinary cost-shared funding agreement from the federal and provincial governments, but one-off deals can't replace predictable funding for critical, routine street maintenance.)

Voters have to send the message that, to make progress against the infrastructure gap and to ensure this city is ready to capitalize on increased trade opportunities, our streets budget has to increase by the revenues raised each year by the 2% tax, dedicated to that purpose.

Winnipeggers must be able to drive on residential streets without worrying about blowing a tire. It is doubly important that our regional streets and thoroughfares are up to the task of supporting our economy; that our cars, trucks and buses are not idling at pinch points or chugging, stop-start, along at ridiculously low speeds. Bad for the blood pressure; bad for the environment. Bad for the economy.

Winnipeg is set for growth — our population will hit a million in less than 20 years — and we need to prepare to meet the challenge and opportunity that opens up. Our economy can grow, we can take advantage of increased trade in Canada and beyond. But only if our roads can carry increased trade.

When council and mayoral candidates hit your doorstep, tell them you are going to vote. Ask them how they would get our roads in shape so Winnipeg can compete for a bigger piece of expanding global trade. Tell them our economic future rides — or stalls — on their answer.

Lorenc wrote this column for the WinnipegREALTORS' Real Estate News, where it will appear Friday.

Bowman declines invitation from business community

Mayoral forum was to include leading mayoral candidates — Bowman and Motkaluk

Mayor Brian Bowman has turned down an invitation to participate in a breakfast mayoral forum to have featured the incumbent Bowman and his leading opponent, Jenny Motkaluk.

The invitation was extended on behalf of seven co-hosting business organizations: Business Council of Manitoba, Canadian Manufacturers & Exporters, MHCA, Manitoba Trucking Association, Manitoba Homebuilders Association, Merit Contractors Association and the Winnipeg Construction Association.

The breakfast, tentatively scheduled for early October, was intended to allow the business community to hear Bowman and Motkaluk's ideas and vision for growing Winnipeg's economy in the next four years and pose questions from the floor.

"It's a shame that this breakfast can't proceed," MHCA President Chris Lorenc said. "Winnipeg is poised to grow to about one million in population in the coming decades and the city's government must be prepared to meet both the challenge in that and the opportunity — that opportunity is economic growth."

The breakfast date was cancelled this week when the Bowman campaign said the incumbent would attend only those forums or debates that invited all registered candidates for the mayoralty. At present, there are 10 vying for the office. Registered candidates have until September 18 to file their nomination papers.

"When Brian Bowman ran for mayor's office in 2014, he attended one-on-one sessions with groups such as ours and he participated in high-profile debates where only a limited number of leading candidates were invited," Lorenc said Thursday. "We are at a loss to understand what has changed in his mind between the two campaigns, with regards to these events."

Lorenc noted that the breakfast has a very tight timeline and giving each of the 10 candidates even just 5 minutes for opening comments would effectively take a full hour, leaving next to no time in the agenda for a meaningful discussion or question and answer session.

The Winnipeg Chamber of Commerce had planned to host a mayoral candidates' debate next month; Bowman's position on only full-slate forums has put a wrinkle in those plans.

Five issues facing our city's growth

The Chamber
The Winnipeg Chamber of Commerce

The Winnipeg Chamber of Commerce, Chamber blog, August 20

Winnipeg is expected to grow to over one million people in the next 15 years. Are we building a livable city for the 21st century? Will Winnipeg's development, transportation and urban planning transform our economy in this time of imperative change?

As our city nears completion of its review of OurWinnipeg — the city's long-range growth planning strategy — we explore five issues facing our city's growth:

1. Transportation

Transportation remains a top concern for Winnipeggers. As our city grows, so will traffic congestion and commute times unless we find better ways of getting around. How can we achieve friction-free movement of people and goods? Building viable trade routes could improve economic opportunity for local industries and divert semi-trucks and trains away from our city center and residential neighbourhoods. Public transit, ridesharing, carsharing, bikesharing and even electric scooters could work together to form a mobility network that provides a viable alternative to car ownership.

2. Infrastructure

We've all heard the cries to "fix the damn roads!" While progress has been made over the past few years, 43% of all respondents in the most recent Citizen Survey said we need to improve road conditions*. We still need to fill potholes, but we also need to prioritize investments in green infrastructure to reduce our environmental impact and build facilities such as recreation centres, libraries and parks that make our community more livable.

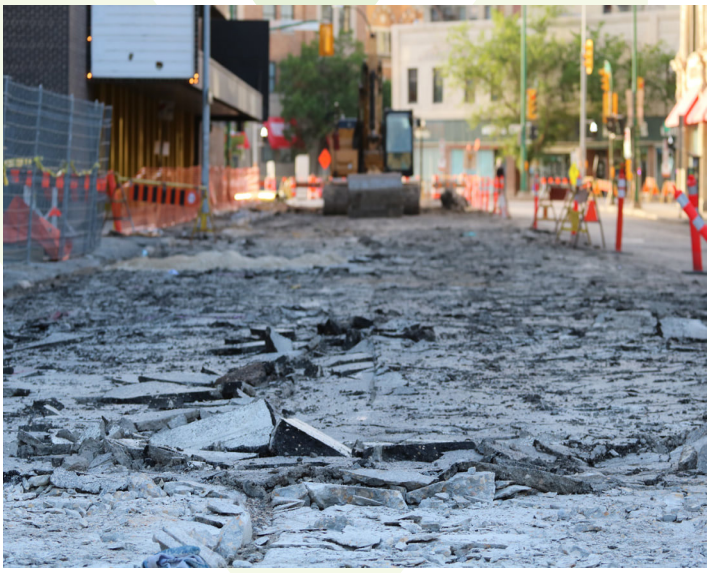


Photo: The Winnipeg Chamber of Commerce

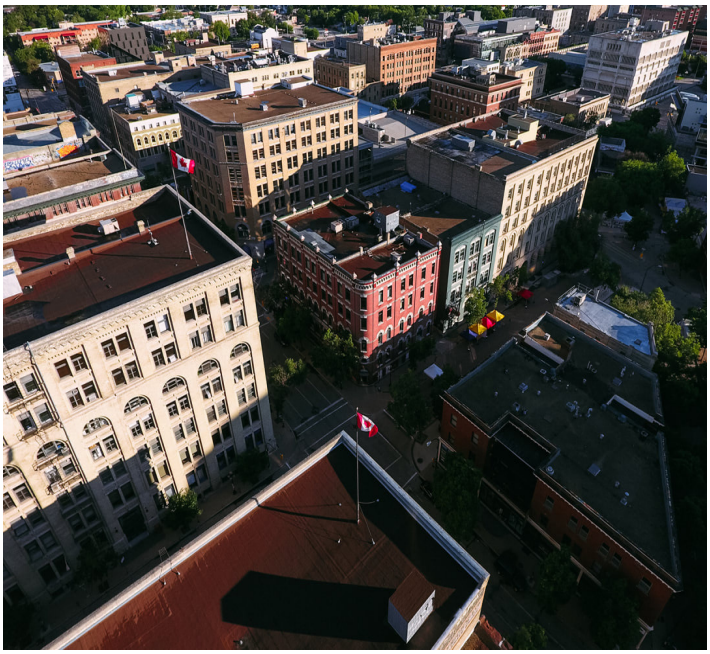


Photo: Tourism Winnipeg

3. Housing

Over the next 25 years, Winnipeg's population is expected to grow by over 200,000 people — creating an annual demand for about 4,000 housing units*. Where are those people going to live and how can we provide the infrastructure and services they need as efficiently as possible? Building new, mixed-use communities is one option, but also needed is more infill-housing to increase density and make more efficient use of roads, sewers and services already in place.

4. Preserving the Natural Environment

With a city growing as fast as ours, it's important we remain cognizant of our urban development and lifestyle choices. Whether it's making an effort to lessen our carbon footprint by living in a multi-family home, moving to a smaller home, or taking public transportation to reduce greenhouse gas emissions, we have the power to create positive change.

5. Social Change and Equity

Winnipeg needs to continue to strive to be a city that treats people fairly and respectfully while accommodating social differences. As our city develops, we need to create an environment designed to benefit all ages and abilities. Winnipeggers want to see increased community programming and gardens, a vibrant arts & culture scene and more recreation services. Let's remove systemic barriers and create places where everyone feels welcome.

Ombudsman gives MI more time to answer MHCA request

The Manitoba Ombudsman's Office has extended the deadline by which Manitoba Infrastructure can reply to its request for information about why it will not release a figure for the infrastructure investment deficit.

The MHCA this spring requested MI to release to it the value of the investment deficit, also referred to as the 'infrastructure gap.' MI refused to release that information, and the MHCA then asked for the Ombudsman's Office to review the refusal.

Originally, the Ombudsman's deadline for response was mid-September, but it has extended that to December 1, allowing for further discussions with the department.

Under the Freedom of Information and Protection of Privacy Act, a department can exercise discretion in refusing to release information that could be advice to the minister or the subject of policy considerations. The MHCA's position is that a figure in itself, such as the valuation of the infrastructure investment deficit, is neither advice nor policy.

Further, the MHCA suggests that this information is important to keeping Manitobans informed about the condition of their highways and roads, and how it might influence a province's decision-making when it comes to budget considerations.

The Heavy News Weekly will update members on the FIPPA request as it develops.

Winnipeg EPC approves $100-million request for federal funds

Funds will flow over five years to accelerate regional road work

Winnipeg council's executive policy committee on Wednesday approved a request for $100 million in federal funds to accelerate work on the regional road system, some $70 million less than was originally proposed last fall.

The funds are to flow from the federal government's legacy New Building Canada Fund. It required provincial approval before Ottawa would officially sign off.

"The number 1 priority of Winnipeggers is fixing our roads," Mayor Brian Bowman told members of the EPC. The motion was unanimously approved.

If finalized by both the province and federal governments, the funding will see the total, five-year expenditure in the regional road budget rise by about $100 million, or one-third, to $414 million, compared to current budget forecasts.

The city in the fall requested $170 million of the federal fund, which was set to expire. The funding has to be matched by both the municipal and provincial government. However, the city was notified that the provincial government would match only up to $100 million, triggering a revised request.

Municipal Affairs Minister Jeff Wharton has told reporters that the province has a number of projects it wants to consider for federal funds, but is set to claim all Manitoba's share of the New Building Canada Fund.

Number of tickets in rural Manitoba construction zones rising

Kevin Hirschfield, Global News, September 10

The number of people speeding through construction zones in rural Manitoba is rising, say RCMP. In all of 2017, 250 tickets were issued to drivers speeding in construction areas. As of June 30, 327 tickets had already been issued by police in 2018. They said they are unsure why this number has increased.

In a statement, the province said the highway capital program budget is at $350 million this year and hundreds of projects were planned or underway, including larger highway paving and structures projects to intersection improvements.

Winnipeg numbers unknown

Winnipeg police said they do not keep track of speeding tickets in construction zones.

Ken Allen of the Public Works Department said there is still much to finish up this construction season. "There were around 200 projects planned…90 active sites are still on the go," Allen said.

This year's budget included a record $116 million investments to local and regional streets, back lanes and sidewalks. Allen's message for speeders is simple. 'When driving through, use caution, slow down and be aware of your surroundings," he said.

Speeding fines

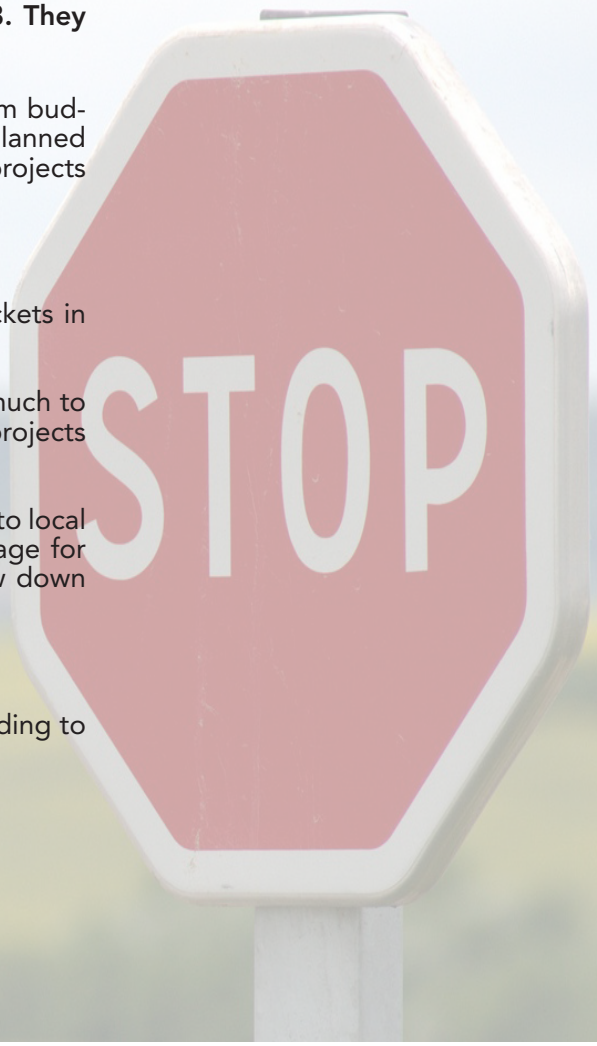
Fines for speeding in construction zones are as follows, according to MPI:

10 km/h over the limit — $312

20 km/h over — $573

35 km/h — $966

50 km/h — $1,359



Industry Voices op-ed: who really benefits from B.C.'s public infrastructure rules?

Paul de Jong, Journal of Commerce, September 10

Earlier this summer, the B.C. government laid out the rules for building billions of dollars-worth of public infrastructure across the province. Future projects are to be built using a framework that's supposed to boost apprenticeships, promote local hiring and help youth and underrepresented groups get the first crack at good paying construction jobs. But anyone who's taken a deep dive into the government's so-called Community Benefits Agreement is probably asking: who is this truly designed to benefit?

The $1.4 billion Pattullo Bridge replacement project and four-lane expansion of Highway 1 between Kamloops and Alberta are the first big projects to be bound by the Horgan government's new framework.

It sets up B.C. Infrastructure Benefits Inc., a new crown corporation in charge of hiring more youth, women and Indigenous people as well as setting a 25 per cent apprenticeship target.

The rationale seems reasonable. "British Columbians deserve the opportunity to work on major government projects being built in and near their communities," says Claire Trevena, Minister of Transportation and Infrastructure. However, if that's the real goal, the fine print is not very convincing.

Nowhere in the government's 300-page plus document detailing the Community Benefits Agreement (CBA) does the government set out clear targets and processes for hiring women, who currently make up just four percent of B.C.'s skilled construction workforce.

Nowhere is there a firm target for hiring Indigenous people, who account for roughly 3.8 per cent of the province's construction workforce.

From a government that declares these to be priorities, there is only non-committal language about "prioritized opportunities for the participation of Indigenous peoples and other traditionally under-represented groups on government infrastructure projects." But there is no clear requirement or commitment. No way to objectively measure success.

While the language is fuzzy around hiring priority groups, the CBA spells out in excruciating detail the benefits for Horgan's preferred union buddies. Within 30 days of employment on the jobsite, any non-union worker or worker from another affiliation will be forced to join and pay dues to the Building Trades Unions.

The agreement also includes a long itemized list of construction camp and food essentials. Each clothes closet for example, must have a minimum depth of 24 inches. Bed pillows must be at least 12 by 24 inches. The morning menu has to include three types of chilled juices.

Even the dessert menu is dictated so that a dizzying daily assortment of pastries, cookies, cake, pie, ice cream and more are provided — all on the taxpayer's dime. It's no wonder that by the Horgan government's own estimates the Pattullo Bridge replacement project is likely to exceed the original price tag by as much as $100 million.

Clearly the government is sparing no expense on a deal it keeps insisting will have benefits that far outweigh the costs. But benefits for whom? Not the taxpayer it seems.

A Mainstreet Research poll commissioned by PCA (Progressive Contractors Association of Canada) shows the vast majority of British Columbians (over 92 per cent) believe it's important for the B.C. government to get good value on public infrastructure investments.

The majority of respondents are also not in favour of Project Labour Agreements, or Community Benefit Agreements, as they're also called, if they drive up infrastructure costs. Governments at every level should be looking for ways to maximize public infrastructure dollars, not using CBAs as a façade to reward union supporters at taxpayers expense.

Questions about rising costs and a sweet heart deal have the B.C. government on the defensive, with the premier suggesting critics should not be so hasty. "So I think before we have too many people piling on about the consequences, we should get the tenders back and we should start these projects before we start criticizing them."

With plans for billions of dollars in provincial projects from schools to hospitals set to fall under the B.C. government's Community Benefits Agreement, it seems only reasonable to confirm who is getting the biggest benefit and at what cost, before going any further. Right now, it's the government's union friends that are further ahead than underrepresented groups will ever be.

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The Manitoba Heavy Construction Association (MHCA) is the voice of Manitoba's heavy construction industry, promoting sustainable municipal infrastructure development, sustained investment in core infrastructure, and seamless, multi-modal transportation systems.

We want your voice to be heard. If you have any questions or suggestions regarding our industry, the MHCA, or the services that we provide, contact us directly by visiting our website www.mhca.mb.ca or calling 204-947-1379.

Stay Connected » mhca.mb.ca »

Address late season injuries: *Back to you*

Don Hurst
Director of WORKSAFELY™, Education and Training

Workplace injuries do not happen at a consistent rate all year long. Studies done in the heavy construction industry show injuries rise during the late summer and into the fall, as the construction season comes to an end.

We want to remind our industry to take care during this busy season, but also stress the importance of safe work practices in preventing injuries.

A study done for the Manitoba Workers Compensation Board found the most common work-related injuries during this busy time are sprains and strains. A further look into specific incident reports for sprains and strains shows that the most frequently injured body parts are the back, leg and ankle. These injuries are commonly caused by slips and trips, lifting, pushing and pulling.

This is a good time to review your return-to-work procedures to minimize the number and duration of time-lost instances that may extend beyond the construction season.

WORKSAFELYT™'s focus is to provide our industry with tools needed to reduce workplace injuries.

If you would like to learn more about preventing workplace injuries, visit our website at mhca.mb.ca and click on the Safety Talk links. Additionally, training in sprain and strain injury prevention can be tailored to individual companies throughout the year.

Please contact Kristen Ranson for more information at 204-947-1379.

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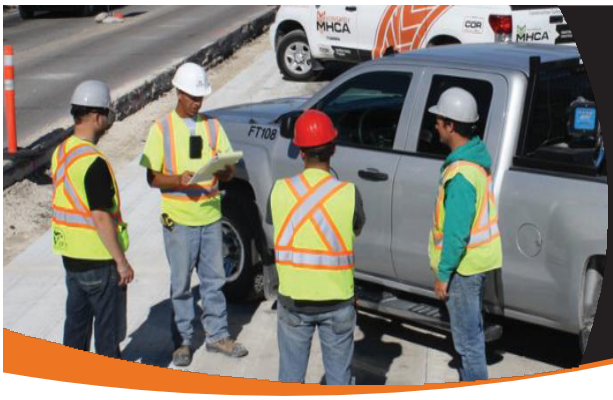
To contact your WORKSAFELY™ advisor assigned to your area, please see mhca.mb.ca/worksafely/know-your-advisor



WORKSAFELY MHCA

SAFETY TALK

Road safety – flaggers

Employers, supervisors, flag persons and crew members can all ensure the safety of flag persons and other road construction workers by complying with Workplace Safety and Health regulations.

Employer responsibilities

Employers are required to take all necessary precautions to ensure the safety, health and welfare of workers.

Employers must

- Ensure flag persons are certified by a recognized organization
- Ensure flag persons wear and use all required personal protective equipment (PPE), including employer-provided:
  - ✓ CSA Class 3 Level 2, high–visibility apparel in fluorescent yellow–green
  - ✓ Protective headwear in a fluorescent colour (equipped with retro-reflective tape during hours of darkness)
  - ✓ A STOP/SLOW paddle with reflective surfaces
  - ✓ CSA–approved footwear
- Ensure all workers and supervisors are aware of hazards in the workplace
- Ensure workers and supervisors are trained in, and follow, safe-work procedures and necessary precautions
- Provide an effective means of communication with other flag persons when visibility is obstructed
- Provide a flashlight fitted with a red signaling wand when working during hours of darkness
- Provide workers with competent supervision
- Set up and remove road signage

Worker responsibilities

Workers are required to attend safety and health training, and follow the safety and health rules and safe-work procedures of the workplace. Workers must:

- Care for and properly use required safety equipment, clothing and devices
- Be alert and aware of their surroundings
  - ✓ Use of personal electronic devices, including cell phones and music players, while working is prohibited
- Use an effective means of communicating with other flag persons when visibility is poor or obstructed
- Hold and carry a valid flag person's training certificate when performing flag person duties

Fluorescent yellow–green "flag person ahead" signs indicate the presence of flag persons at road construction sites. This sign must be turned down or covered when no flag person is on duty.

Print and review this talk with your staff, sign off and file for COR™ / SECOR audit purposes.

Date: _____

Performed by: _____

Supervisor: _____

Location: _____

Concerns:

_____

_____

_____

Corrective Actions:

_____

_____

_____

Employee Name:

_____

_____

_____

_____

Employee Signature:

_____

_____

_____

_____

Training Schedule

Construction Safety Excellence™

TO REGISTER, PLEASE CONTACT:
Kristen Ranson
kristen@mhca.mb.ca

WINNIPEG - MHCA Office
3-1680 Ellice Ave.

September 2018

17-18	**COR™ Leadership in Safety Excellence**
19	**COR™ Principles of Health & Safety Management**
20-21	**COR™ Auditor**
24	Transportation of Dangerous Goods 1/2 day AM
24	**COR™ Auditor Refresher 1/2 day PM**
25-26	Traffic Control Coordinator

October 2018

3	Flagperson 1/2 day AM
3	Safety Committee/Representative 1/2 day PM
10-11	Traffic Control Coordinator
15-16	**COR™ Leadership in Safety Excellence**
17	**COR™ Principles of Health & Safety Management**
18-19	**COR™ Auditor**
23	Train the Trainer - Facilitation Skills
29	Excavating & Trenching 1/2 day AM

November 2018

1	**COR™ Auditor Refresher 1/2 day AM**
5	Winter Roads 1/2 day AM
5	Emergency Response 1/2 day PM
19-20	**COR™ Leadership in Safety Excellence**
21	**COR™ Principles of Health & Safety Management**
22-23	**COR™ Auditor**

BRANDON
St John Ambulance

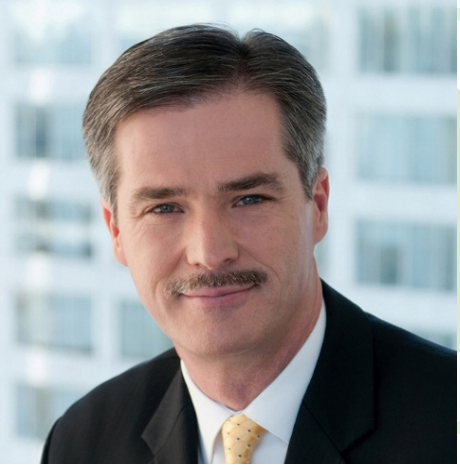
October 2018

26	**COR™ Leadership in Safety Excellence**
31	**COR™ Principles of Health & Safety Management**

November 2018

1-2	**COR™ Auditor**

EDC



Running hot

By Peter G Hall, Vice President and Chief Economist

Whether it makes you glad, mad, sad or just downright perplexed, it's true. Growth in the US economy is scorching hot, and there seems to be no end to it. And while it seems there's less willingness to share that growth around, it's happening anyway: more than a few nations are benefiting from the Yankee boom. So, is Canada one of them, or are we getting left behind?

Doubters were all over America's weak showing in the first quarter. GDP growth rang in at 2.2 per cent, and was actually weaker in preliminary releases. Realists were vindicated by the near-doubling of growth in the second-quarter, to 4.2 per cent. While nobody really expected this pace to be sustained, the third quarter is pumping out some pretty impressive stats. Rummage through the monthly data, and the singe marks of a hot economy are everywhere.

DATA CONTINUE TO COME IN STRONG

Take one of my favourites, the ISM Purchasing Managers' Index. It just hit it's record level for this expansion in August, a searing 61.3. All the sub-indexes rose in the month, and new orders — a key sign of sustainability — are close to peak levels. Businesses are finding it increasingly hard to keep up. Capacity pressures are high and rising in a large number of industries. Hiring is also getting increasingly difficult. Initial claims for unemployment insurance are at their lowest level since the late 1960s. Job numbers released last Friday show no let-up in hiring, adding 201,000 to the rolls and keeping the unemployment rate in the bowels of the basement, at 3.9 per cent.

IS THE US ECONOMY OVERHEATING?

Heat is one thing, but are they in danger of overheating? An increasing number of pundits are sliding that way, worried that the mercury's in for a dip, or worse still, a plunge. They may be right, but current evidence is thin. Post-recession growth in the US was weak for a long time, building up a large store of pent-up demand. Investment has yet to fully recover — both on the business side, and in the housing market. Consumers aren't racking up debts anywhere close to the pace of a bubble economy. And in spite of still-low interest rates, price pressures in the economy are muted. Things are hot, but not too hot.

Some are saying this is all about stimulus, that tax reductions and spending programs are an artificial boost that will give way to much softer conditions next year. Again, this is plausible, but there are solid counter-arguments. Corporate tax reductions and accelerated depreciation measures aren't the sort of policies that create flash-in-the-pan growth. Business investment decisions are made on a longer horizon, and are at the near end of their full response to these measures. In fact, this stimulus may be just what US businesses needed to wake them up from their protracted post-recession investment hibernation.

CANADA'S EXPORTS ARE SOARING

Canada is definitely benefiting from US economic strength. Last week's merchandise trade data clearly put the US in the driver's seat. Monthly exports to the US were up 3.3 per cent, and have been up smartly in five of the last six months, lifting year-to-year growth to a blistering 15.8 per cent. Canada's trade surplus with the US is at a cyclical high of $5.3 billion. While no doubt this will be used by some to illustrate the raw deal the US is getting from the current trade architecture, first, their surplus with us in traded services takes us to balanced trade; and second, one is left to wonder how the US could handle all this growth if it were fully internalized.

So much for today's story. Will rising protectionism douse the flames of growth? Clearly, it's not in anyone's interests to see this happen. Hopefully, growth is not instilling a false sense of invincibility; globalization got the US to this point in the economic cycle, a fact that's well understood by the business community and many policymakers. Ultimately, today's trade skirmishes are about getting better deals, not destroying their essence. The uncertainty is at times unbearable, and is currently compromising investment decisions. Mutually beneficial resolution is the remedy, but for the moment, patience is paramount.

THE BOTTOM LINE?

The uncertainty in today's international trade space is not interrupting torrid growth…for the moment. Drag it on, and any delays to trade-related investment plans will begin to constrict the broader economy. For this reason, all sides are hoping for speedy and conclusive resolution to outstanding trade issues.

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September 12, 2018

NOTICE of ROAD CLOSURE
PR 206 (South of PTH 1)
RESCHEDULED

Railway repairs at the CN railway crossing on PR 206 (south of PTH 1) between PTH 1 and PR 207 will result in lane closures for all vehicular traffic.

Both north and southbound lanes of PR 206 (south of PTH 1) are scheduled to close for two days starting at **9:00 a.m. Wednesday, September 19, 2018 until 6:00 p.m. Friday, September 21, 2018.**

South or northbound commercial truck traffic will be required to use an appropriate alternate route with suitable weight classification, such as PR 207 or PR 210 during the closure. Permitted oversized/overweight vehicles will be required to use alternate routes that have been approved by Manitoba Infrastructure.

Information and updates regarding the road closure will be available on the Highway Information (Manitoba 511 – Road and Traveller Information) website, http://www.manitoba511.ca/en/ or by calling 204-945-3704 or toll free at 1-877-627-6237.

To discuss specific permit requirements/alternate routes, Permit Services may be contacted directly at 204-945-3961 or toll free at 1-877-812-0009.

Your anticipated cooperation during the required road closure is greatly appreciated.

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